

City of Riverview, Michigan

**Financial Report
with Supplemental Information
June 30, 2008**

City of Riverview, Michigan

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City of Riverview, Michigan

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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Riverview, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Riverview, Michigan (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Riverview, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Riverview, Michigan as of June 30, 2008 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, retirement system schedules of funding progress and employer contributions, and the budgetary comparison schedules, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Honorable Mayor and
Members of the City Council
City of Riverview, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Riverview, Michigan's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

December 3, 2008

City of Riverview, Michigan

Management's Discussion and Analysis

Overview of the Financial Statements

The City of Riverview, Michigan's (the "City") 2008 annual financial report is presented in conformity with the requirements of GASB Statement No. 34, as it was in 2007. This annual report consists of four parts - management's discussion and analysis, the basic financial statements, required supplemental information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that provide both short-term and long-term information about the City's status. The remaining statements are fund financial statements that focus on individual parts of the City's operations.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets, the difference between the City's assets and liabilities, are one way to measure the City's financial health.

The government-wide financial statements of the City are divided into three categories:

Governmental Activities - Most of the City's basic services are included here, such as the police, fire, public works, recreation departments, and general administration. Property taxes, state-shared revenue, charges for services, grants, and transfers provide much of the funding.

Business-type Activities - The City charges fees to customers to help it cover the costs of certain services it provides. The City's water and sewer system, golf course, golf practice facility, and land preserve are all included here.

Component Units - The City includes the Economic Development Corporation in its report.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. Funds are accounting tools that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law and bond covenants. The City Council establishes other funds to control and manage money for particular purposes.

City of Riverview, Michigan

Management's Discussion and Analysis (Continued)

The City has three kinds of funds:

Governmental Funds - Most of the City's basic services are included in governmental funds, which focus on how cash and other financial assets that can be converted to cash flow in and out, and the balance left at year end that is available for spending. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Proprietary Funds - Services to which the City charges customers a fee are generally reported in proprietary funds. Proprietary fund reporting, like government-wide statements, provide both short- and long-term financial information.

Fiduciary Funds - The City is responsible for ensuring that the assets in these funds are used for their intended purposes. We exclude these activities from the government-wide financial statements because the City cannot use these assets to finance its operations.

Financial Highlights

The financial report for the year ended June 30, 2008 reflects complete implementation of Governmental Accounting Standards Board Statement No. 34, which significantly changed the content and format of municipal financial reporting. Accordingly, these statements present both entity-wide financial reporting for all governmental and business activities in addition to reporting financial information at the fund level. A reconciliation of the net change in fund balance to the change in net assets is provided on page 16.

Assets of the City exceeded its liabilities at the end of the fiscal year by \$76,706,645 (net assets), a decrease of \$14,885 from the previous year. Of the \$76.7 million reported in net assets, approximately \$7.3 million may be used to meet the ongoing obligations to citizens and creditors (unrestricted net assets).

Net assets of the City's governmental activities decreased \$29,236, or 0.09 percent, while net assets of our business-type activities increased \$14,351, or 0.03 percent.

Unrestricted net assets for governmental activities are 22.1 percent of expenses. Unrestricted net assets for business-type activities are 29.7 percent of expenses.

The General Fund reported expenditures in excess of revenues of \$163,071, resulting in a decrease in the General Fund fund balance to \$548,549. Of this amount, \$312,714 is unreserved and undesignated, or 3.0 percent, of General Fund expenditures.

In February 2004, the City issued \$7.6 million of General Obligation Limited Tax bonds, with the proceeds designated for reconstruction and repair of various streets located throughout the City. The bonds are scheduled for repayment over the next 10 years, with funding being derived from the State of Michigan (Act 51 Road Funds), operating transfers from the land preserve, and tax levies. The project was completed by the end of fiscal year 2007.

City of Riverview, Michigan

Management's Discussion and Analysis (Continued)

The City as a Whole

The City's combined net assets are \$76.7 million at June 30, 2008. Business-type activities make up \$43.6 million and governmental activities make up \$33.1 million of the total. The following table shows, in a condensed format, the net assets as of June 30, 2008 and compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Current assets	\$ 7.2	\$ 7.0	\$ 38.8	\$ 36.0	\$ 46.0	\$ 43.0
Noncurrent assets	<u>33.5</u>	<u>34.5</u>	<u>48.7</u>	<u>49.1</u>	<u>82.2</u>	<u>83.6</u>
Total assets	40.7	41.5	87.5	85.1	128.2	126.6
Liabilities						
Current liabilities	2.1	2.3	5.9	4.3	8.0	6.6
Long-term liabilities	<u>5.5</u>	<u>6.1</u>	<u>38.0</u>	<u>37.2</u>	<u>43.5</u>	<u>43.3</u>
Total liabilities	<u>7.6</u>	<u>8.4</u>	<u>43.9</u>	<u>41.5</u>	<u>51.5</u>	<u>49.9</u>
Net Assets						
Invested in capital assets -						
Net of related debt	27.8	28.1	29.2	29.6	57.0	57.7
Restricted	2.3	2.4	10.1	6.9	12.4	9.3
Unrestricted	<u>3.0</u>	<u>2.6</u>	<u>4.3</u>	<u>7.1</u>	<u>7.3</u>	<u>9.7</u>
Total net assets	<u>\$ 33.1</u>	<u>\$ 33.1</u>	<u>\$ 43.6</u>	<u>\$ 43.6</u>	<u>\$ 76.7</u>	<u>\$ 76.7</u>

City of Riverview - Net Assets

As noted earlier, the City's assets exceed its liabilities at the end of the fiscal year by \$76.7 million (net assets). However, a significant portion (74 percent) of the City's net assets represents its investment in capital assets (e.g., land, roads, infrastructure, buildings, and equipment), less any related debt used to acquire or construct these assets. The City uses these assets in providing services to its citizens; thus, these assets are not available for future spending.

Current and other assets have increased by \$3.0 million from the prior year, current liabilities have increased by \$1.4 million, and long-term liabilities have increased by \$0.2 million. The increase in long-term liabilities is primarily due to an increase in the land preserve closure liability, offset by payments on bonds issued for the street repair project and sewer improvements, along with payments on capital lease obligations for vehicle and equipment purchases.

City of Riverview, Michigan

Management's Discussion and Analysis (Continued)

Unrestricted net assets of the City decreased from \$9.7 million at June 30, 2007 to \$7.3 million at the end of this year. This amount represents the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

Further, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The following table shows the changes in net assets for 2008 as compared to the previous year:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue						
Program revenue:						
Charges for services	\$ 0.8	\$ 0.9	\$ 14.6	\$ 15.8	\$ 15.4	\$ 16.7
Operating grants and contributions	1.1	1.0	-	-	1.1	1.0
Capital grants and contributions	-	0.1	-	-	-	0.1
General revenue:						
Property taxes	5.8	5.7	1.3	1.3	7.1	7.0
State-shared revenues	1.3	1.3	-	-	1.3	1.3
Cable, franchise, and right-of-way fees	0.3	0.3	-	-	0.3	0.3
Investment income	0.4	0.3	2.5	1.7	2.9	2.0
Transfers	3.6	3.2	(3.6)	(3.2)	-	-
Other	-	-	-	0.3	-	0.3
Total revenue	13.3	12.8	14.8	15.9	28.1	28.7
Program Expenses						
General government	2.9	2.1	-	-	2.9	2.1
Public safety	5.2	5.3	-	-	5.2	5.3
Public works	3.7	3.7	-	-	3.7	3.7
Community and economic development	0.5	0.3	-	-	0.5	0.3
Recreation and culture	0.9	1.1	-	-	0.9	1.1
Interest on long-term debt	0.1	0.2	-	-	0.1	0.2
Water and sewer	-	-	4.2	4.4	4.2	4.4
Golf course	-	-	1.2	1.1	1.2	1.1
Golf practice	-	-	0.2	0.2	0.2	0.2
Land preserve	-	-	9.2	13.4	9.2	13.4
Total program expenses	13.3	12.7	14.8	19.1	28.1	31.8
Change in Net Assets	-	0.1	-	(3.2)	-	(3.1)
Net Assets - Beginning of year	33.1	33.0	43.6	46.8	76.7	79.8
Net Assets - End of year	<u>\$ 33.1</u>	<u>\$ 33.1</u>	<u>\$ 43.6</u>	<u>\$ 43.6</u>	<u>\$ 76.7</u>	<u>\$ 76.7</u>

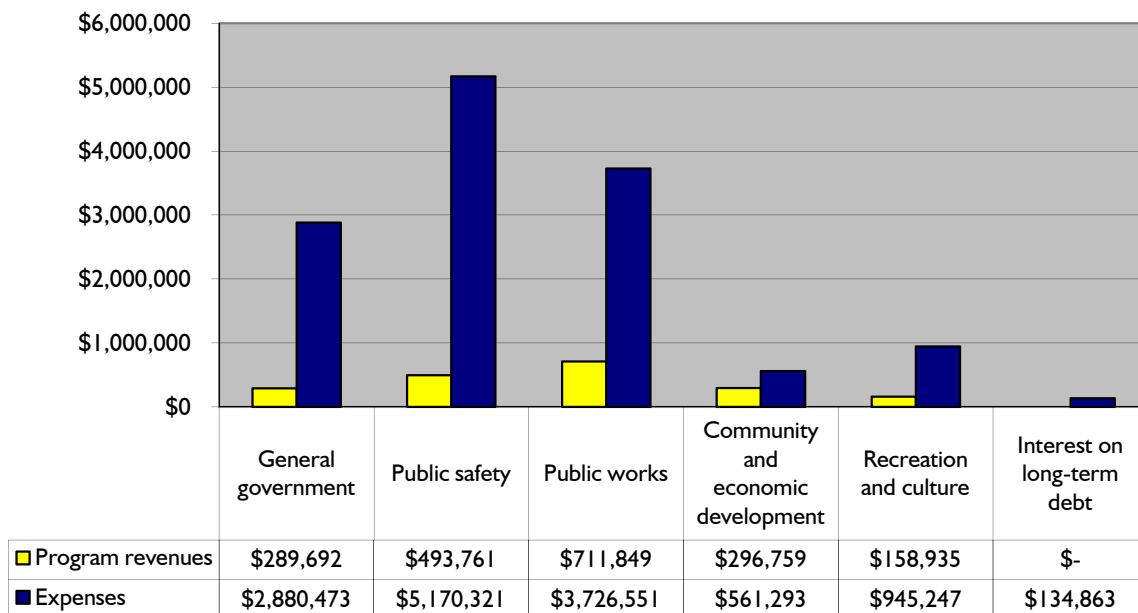
City of Riverview, Michigan

Management's Discussion and Analysis (Continued)

Governmental Activities

For the year ended June 30, 2008, revenues for the City's governmental activities totaled \$13.3 million, or an increase of \$0.5 million from 2007. Property taxes increased slightly from \$5.7 million in 2007 to \$5.8 million in 2008, due to an increase in the property tax base as a result of inflationary increases in existing parcels. Operating transfers from Enterprise Funds were \$3.6 million in 2008, an increase of \$0.4 million over last year. State-shared revenues were \$1.3 million in 2008, the same as in 2007. Even though there was no change from last year, these revenues continue to be a concern as to future funding levels.

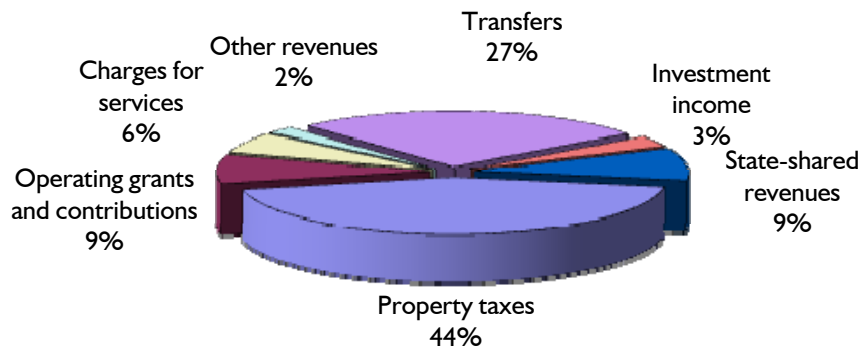
**Expenses and Program Revenues
Governmental Activities**



City of Riverview, Michigan

Management's Discussion and Analysis (Continued)

Revenue by Source Governmental Activities



Business-type Activities

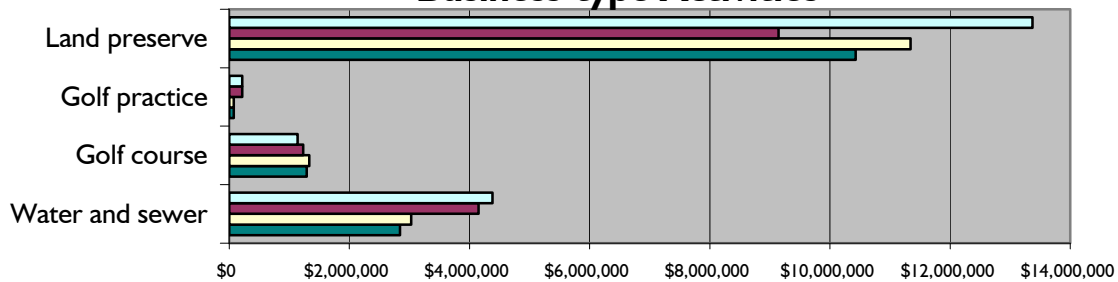
The City has four business-type activities: the water and sewer system, the golf course, the golf practice facility, and the land preserve. In total, these four activities generated \$14.6 million in charges for services and incurred \$18.4 million in expenses and transfers out in 2008, compared to \$15.9 million in charges for services and \$22.3 million in expenses and transfers out for 2007. The City experienced net assets of approximately the same as 2007 from its business-type activities.

In addition, general revenues for business-type activities were approximately \$3.5 million in 2008, compared to \$3.0 million in 2007. Investment income on investments went from \$1.7 million in 2007 to \$2.5 million in 2008; this was primarily due to unrealized gains on funds held for long-term investments at the land preserve. Property tax revenue was \$1.3 million, or the same as 2007; these property taxes are used to make payments on debt incurred for the sewer system improvements.

City of Riverview, Michigan

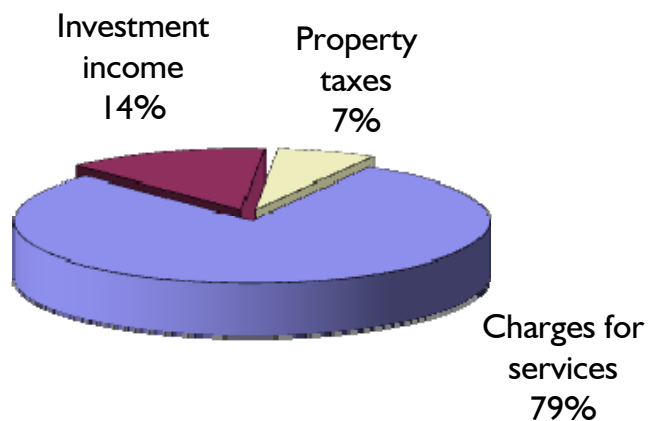
Management's Discussion and Analysis (Continued)

Expense and Program Revenues Business-type Activities



	Water and sewer	Golf course	Golf practice	Land preserve
2007 Program Expenses	\$4,379,224	1,135,159	213,233	13,371,427
2008 Program Expenses	\$4,150,818	1,231,039	211,610	9,144,276
2007 Program Revenues	\$3,030,160	1,328,265	74,366	11,338,380
2008 Program Revenues	\$2,842,931	1,285,915	76,099	10,428,945

Revenue by Source Business-type Activities



City of Riverview, Michigan

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

At the end of fiscal year 2008, the City has \$149.3 million invested, before depreciation, in a wide range of capital assets, including land, building, public safety equipment, computer equipment, and water and sewer lines. Of that amount, approximately \$18.9 million, net of depreciation, relates to infrastructure.

Debt of \$6.5 million, related to the construction of the above-mentioned capital assets, is reported as a liability in the governmental activities in the statement of net assets. As noted earlier, the City issued \$7.6 million of general obligation bonds in February 2004 to finance various street repairs across the City. This project was originally intended to be completed over a 10-year period, but with the proceeds from the bond issuance, the project was shortened to three years and was completed during fiscal year 2006/2007.

Debt related to the water and sewer system totaling \$17.5 million is recorded as a liability in the business-type activities in the statement of net assets. This debt represents improvements at the Wyandotte wastewater treatment plant that were mandated by a federal consent decree.

Debt related to capital lease obligations totaling \$1.9 million is recorded as a liability in the business-type activities in the statement of net assets. This debt represents installment-type loans whose proceeds were used to purchase equipment for both the land preserve and the golf course.

The City's Funds

The fund financial statements begin on page 15 and provide detailed information on the most significant governmental funds - not the City as a whole. The City Council creates funds to help manage money for special purposes, as well as to show accountability for certain activities, such as special property tax millages. The City's major governmental funds for 2008 include the General Fund and the Major and Local Streets Funds.

The City's governmental funds reported combined fund balance of \$5.6 million for this year, an increase of \$0.4 million over 2007. The General Fund fund balance decreased approximately \$164,000 due to the transfer of drug forfeiture funds to their own separate fund in fiscal year 2007/2008; these funds were initially recorded as revenues in the General Fund. The drug forfeiture funds are restricted and are not available for on-going city operations. In addition, the Local Streets Fund fund balance decreased by approximately \$63,000, primarily due to expenditures related to on-going street repairs.

City of Riverview, Michigan

Management's Discussion and Analysis (Continued)

General Fund Budgetary Highlights

Revenues for the General Fund increased from the original budget to the final budget by approximately \$217,000, primarily due to an increase in the operating transfer from the land preserve for healthcare payments for the City's retirees. Actual revenues were approximately \$245,000 below the final budget amounts; this was primarily due to lower than anticipated operating transfers from the land preserve.

Expenditures increased from the original budget to the final budget by approximately \$241,000, based on higher than anticipated healthcare and pension costs as well as the purchase of public safety equipment through a grant. Actual expenses were approximately \$169,000 below the final budget, resulting from tighter controls over spending due to lower revenue projections. Included in the General Fund expenditures was a contribution to the pension system of approximately \$950,000 for its general members and police members.

Current Economic Conditions

The City continues to maintain positive fund balances in each of its funds. However, concerns arise when considering the revenues and expenses that the City is facing in upcoming years. The major sources of revenue for the City are property taxes, state-shared revenues, and charges for services. These sources have certain limitations outside of the City's control - taxable value of property in the City has remained flat, resulting in small increases in property taxes; the State of Michigan has experienced budget deficits and has reduced revenue-sharing payments to local governments to help in reducing their deficit; and the economy has restricted the City in what it can charge its customers. In comparison, certain expenses continue to rise at a rate higher than inflation (e.g., health care). We are continuing to plan for the long term and will continue to balance the budgets through controls over spending, while still providing the City's residents with the same level of service to which they have become accustomed.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the director of finance at the City of Riverview, 14100 Civic Park Drive, Riverview, MI 48193.

City of Riverview, Michigan

Statement of Net Assets June 30, 2008

	Primary Government			Component Unit - Economic Development Corporation
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 5,997,090	\$ 4,232,571	\$ 10,229,661	\$ 12,865
Receivables - Net:				
Taxes	35,852	-	35,852	-
Customers	-	3,148,977	3,148,977	-
Due from other governmental units	647,140	-	647,140	-
Other	291,151	10,302	301,453	-
Internal balances (Note 4)	33,034	(33,034)	-	-
Inventories	-	28,949	28,949	-
Prepaid and other assets	146,343	308,766	455,109	-
Restricted assets (Note 5)	-	31,167,134	31,167,134	-
Capital assets (Note 6):				
Nondepreciable capital assets	11,566,627	3,464,278	15,030,905	-
Depreciable capital assets - Net	<u>22,017,202</u>	<u>45,197,977</u>	<u>67,215,179</u>	-
Total assets	40,734,439	87,525,920	128,260,359	12,865
Liabilities				
Accounts payable	563,875	3,203,012	3,766,887	-
Accrued and other liabilities	616,295	139,995	756,290	-
Deferred revenue	7,215	-	7,215	-
Noncurrent liabilities:				
Due within one year (Note 7)	946,507	2,587,346	3,533,853	-
Due in more than one year (Note 7)	5,541,777	16,888,173	22,429,950	-
Land preserve closure liability (Note 5)	<u>-</u>	<u>21,059,519</u>	<u>21,059,519</u>	-
Total liabilities	<u>7,675,669</u>	<u>43,878,045</u>	<u>51,553,714</u>	-
Net Assets				
Invested in capital assets - Net of related debt	27,716,141	29,240,047	56,956,188	-
Restricted:				
Streets	2,105,670	-	2,105,670	-
CDBG	52,006	-	52,006	-
Drug forfeiture	208,883	-	208,883	-
Water and sewer debt service	-	1,823,933	1,823,933	-
Land preserve closure and post- closure costs	-	8,283,682	8,283,682	-
Unrestricted	<u>2,976,070</u>	<u>4,300,213</u>	<u>7,276,283</u>	12,865
Total net assets	<u>\$ 33,058,770</u>	<u>\$ 43,647,875</u>	<u>\$ 76,706,645</u>	<u>\$ 12,865</u>

City of Riverview, Michigan

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 2,880,473	\$ 284,608	\$ -	\$ 5,084
Public safety	5,170,321	342,438	114,280	37,043
Public works	3,726,551	42,273	669,576	-
Community and economic development	561,293	22,757	274,002	-
Recreation and culture	945,247	107,167	51,768	-
Interest on long-term debt	134,863	-	-	-
Total governmental activities	13,418,748	799,243	1,109,626	42,127
Business-type activities:				
Water and sewer	4,150,818	2,842,931	-	-
Golf course	1,251,792	1,285,915	-	-
Golf practice	223,590	76,099	-	-
Land preserve	9,144,276	10,424,049	-	-
Total business-type activities	14,770,476	14,628,994	-	-
Total primary government	<u>\$ 28,189,224</u>	<u>\$ 15,428,237</u>	<u>\$ 1,109,626</u>	<u>\$ 42,127</u>
Component unit - Economic Development Corporation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes				
State sources				
Cable, franchise, and right-of-way fees				
Investment income				
Loss on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in Net Assets				
Net Assets - Beginning of year				
Net Assets - End of year				

Statement of Activities
Year Ended June 30, 2008

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit -
Governmental	Business-type		Economic
Activities	Activities	Total	Development
			Corporation
\$ (2,590,781)	\$ -	\$ (2,590,781)	\$ -
(4,676,560)	-	(4,676,560)	-
(3,014,702)	-	(3,014,702)	-
(264,534)	-	(264,534)	-
(786,312)	-	(786,312)	-
(134,863)	-	(134,863)	-
(11,467,752)	-	(11,467,752)	-
-	(1,307,887)	(1,307,887)	-
-	34,123	34,123	-
-	(147,491)	(147,491)	-
-	1,279,773	1,279,773	-
-	(141,482)	(141,482)	-
(11,467,752)	(141,482)	(11,609,234)	-
-	-	-	-
5,842,565	1,251,333	7,093,898	-
1,273,102	-	1,273,102	-
281,829	-	281,829	-
433,772	2,533,736	2,967,508	-
(2,620)	(19,368)	(21,988)	-
3,609,868	(3,609,868)	-	-
11,438,516	155,833	11,594,349	-
(29,236)	14,351	(14,885)	-
33,088,006	43,633,524	76,721,530	12,865
\$ 33,058,770	\$ 43,647,875	\$ 76,706,645	\$ 12,865

City of Riverview, Michigan

Governmental Funds Balance Sheet June 30, 2008

	Major Special Revenue Funds				
	General Fund	Major Streets Fund	Local Streets Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 633,742	\$ 1,765,895	\$ 284,275	\$ 3,081,802	\$ 5,765,714
Receivables:					
Taxes	27,511	-	1,600	6,741	35,852
State of Michigan	413,590	73,010	31,944	-	518,544
Other	199,622	-	-	16,342	215,964
Due from other funds (Note 4)	95,176	-	-	65,553	160,729
Due from other governmental units	76,045	-	-	52,551	128,596
Prepaid expenses and other assets	104,463	-	-	-	104,463
Total assets	\$ 1,550,149	\$ 1,838,905	\$ 317,819	\$ 3,222,989	\$ 6,929,862
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 429,074	\$ 32,493	\$ 15,918	\$ 65,234	\$ 542,719
Due to other funds	-	1,837	806	125,052	127,695
Accrued and other liabilities	572,526	-	-	17,923	590,449
Deferred revenue	-	-	-	64,734	64,734
Total liabilities	1,001,600	34,330	16,724	272,943	1,325,597
Fund Balances					
Reserved for prepaids	104,463	-	-	-	104,463
Unreserved:					
Designated for pending tax tribunals	131,372	-	9,295	26,513	167,180
Undesignated	312,714	1,804,575	291,800	-	2,409,089
Unreserved, reported in:					
Special Revenue Funds	-	-	-	1,087,656	1,087,656
Debt Service Funds	-	-	-	195,458	195,458
Capital Projects Funds	-	-	-	1,640,419	1,640,419
Total fund balances	548,549	1,804,575	301,095	2,950,046	5,604,265
Total liabilities and fund balances	\$ 1,550,149	\$ 1,838,905	\$ 317,819	\$ 3,222,989	\$ 6,929,862

City of Riverview, Michigan

Governmental Funds **Reconciliation of Fund Balances of Governmental Funds to Net Assets of** **Governmental Activities** **June 30, 2008**

Total Fund Balances of Governmental Funds	\$ 5,604,265
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	33,583,829
Certain revenue in the Community Development Block Grant Fund is deferred and will be recognized as revenue in the fund statements in future years	57,519
Compensated absences are not due and payable in the current period and are not reported in the funds	(620,596)
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(5,867,688)
Accrued interest is not recorded in the funds	(25,846)
The Internal Service Fund (self-insurance) is included as part of governmental activities	<u>327,287</u>
Net Assets of Governmental Activities	<u>\$ 33,058,770</u>

City of Riverview, Michigan

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2008

	Major Special Revenue Funds				
	General Fund	Major Streets Fund	Local Streets Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 4,975,164	\$ -	\$ 288,800	\$ 578,601	\$ 5,842,565
Federal sources	56,126	-	-	312,149	368,275
State sources	1,282,818	445,645	223,931	46,134	1,998,528
Charges to other funds	687,294	-	-	-	687,294
Ambulance fees	275,612	-	-	-	275,612
Investment income	101,148	63,806	17,249	114,480	296,683
Other	599,213	-	-	627,149	1,226,362
Total revenue	7,977,375	509,451	529,980	1,678,513	10,695,319
Expenditures					
General government	1,431,745	-	-	121,138	1,552,883
Public safety	4,819,193	-	-	53,513	4,872,706
Public works	1,855,841	327,818	342,413	1,471,592	3,997,664
Community and economic development	229,109	-	-	285,891	515,000
Recreation and culture	495,347	-	-	402,442	897,789
Employee benefits and other	1,428,115	-	-	-	1,428,115
Debt service:					
Principal	-	-	725,000	132,653	857,653
Interest and other charges	-	-	136,039	39,525	175,564
Total expenditures	10,259,350	327,818	1,203,452	2,506,754	14,297,374
Excess of Revenue Over (Under) Expenditures	(2,281,975)	181,633	(673,472)	(828,241)	(3,602,055)
Other Financing Sources (Uses)					
Proceeds from the issuance of capital lease obligations	-	-	-	400,341	-
Operating transfers in (Note 4)	2,297,019	-	611,411	1,199,925	4,108,355
Operating transfers out (Note 4)	(178,115)	(111,411)	-	(208,961)	(498,487)
Total other financing sources (uses)	2,118,904	(111,411)	611,411	1,391,305	3,609,868
Net Change in Fund Balances	(163,071)	70,222	(62,061)	563,064	408,154
Fund Balances - Beginning of year	711,620	1,734,353	363,156	2,386,982	5,196,111
Fund Balances - End of year	\$ 548,549	\$ 1,804,575	\$ 301,095	\$ 2,950,046	\$ 5,604,265

City of Riverview, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds \$ 408,154

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation (914,619)

Governmental funds do not report transfers of assets from enterprise funds; these are reported as contributed capital in the statement of activities 5,085

Governmental funds do not report the loss from the sale of fixed assets (12,558)

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 857,653

Proceeds from issuance of capital lease obligations are reported as revenue on the governmental funds, but not in the statement of activities (400,341)

Interest expense is recorded when incurred in the statement of activities 2,797

Decrease in accumulated employee sick and vacation pay is recorded when paid in the governmental funds 36,415

Certain revenue in the Community Development Block Grant Fund is deferred and will be recognized as revenue in the fund statements in future years (6,228)

The Internal Service Fund (self-insurance) is also included as governmental activities in the statement of activities (5,594)

Change in Net Assets of Governmental Activities \$ (29,236)

City of Riverview, Michigan

Proprietary Funds Statement of Net Assets June 30, 2008

	Major Enterprise Funds				Governmental Activities
	Water and Sewer	Land Preserve	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Assets					
Current assets:					
Cash and investments	\$ 3,503,173	\$ 30,406	\$ 698,992	\$ 4,232,571	\$ 231,376
Accounts receivable:					
Customers	568,374	2,580,603	-	3,148,977	-
Other	10,302	-	-	10,302	75,187
Due from other funds (Note 4)	94,226	3,375,706	78,064	3,547,996	-
Inventories	-	9,727	19,222	28,949	-
Prepaid and other assets	304,773	-	3,993	308,766	41,880
Total current assets	4,480,848	5,996,442	800,271	11,277,561	348,443
Noncurrent assets:					
Restricted assets (Note 5)	1,823,933	29,343,201	-	31,167,134	-
Capital assets - Net (Note 6):					
Nondepreciable capital assets	-	2,772,377	691,901	3,464,278	-
Depreciable capital assets	28,801,567	13,023,588	3,372,822	45,197,977	-
Total noncurrent assets	30,625,500	45,139,166	4,064,723	79,829,389	-
Total assets	35,106,348	51,135,608	4,864,994	91,106,950	348,443
Liabilities					
Current liabilities:					
Accounts payable	526,206	2,646,374	30,432	3,203,012	21,156
Due to other funds (Note 4)	3,051,259	58,999	470,772	3,581,030	-
Accrued and other liabilities	19,108	75,985	44,902	139,995	-
Current portion of bonds payable (Note 7)	1,555,965	945,096	86,285	2,587,346	-
Total current liabilities	5,152,538	3,726,454	632,391	9,511,383	21,156
Noncurrent liabilities:					
Bonds payable - Net of current portion (Note 7)	16,036,298	708,441	90,123	16,834,862	-
Accumulated employee benefits (Note 7)	26,586	24,951	1,774	53,311	-
Land preserve closure liability (Note 5)	-	21,059,519	-	21,059,519	-
Total noncurrent liabilities	16,062,884	21,792,911	91,897	37,947,692	-
Net Assets					
Invested in capital assets - Net of related debt	11,209,304	14,142,428	3,888,315	29,240,047	-
Restricted for debt service (Note 5)	1,823,933	-	-	1,823,933	-
Restricted for land preserve closure and postclosure costs (Note 5)	-	8,283,682	-	8,283,682	-
Unrestricted	857,689	3,190,133	252,391	4,300,213	327,287
Total net assets	\$ 13,890,926	\$ 25,616,243	\$ 4,140,706	\$ 43,647,875	\$ 327,287

City of Riverview, Michigan

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended June 30, 2008

	Major Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Fund
	Water and Sewer	Land Preserve	Other Nonmajor Enterprise Funds	Funds	Fund
Operating Revenue					
Customer billings	\$ 2,839,972	\$ -	\$ -	\$ 2,839,972	\$ -
Greens fees	-	-	789,257	789,257	-
Charges for services	-	-	-	-	638,559
Equipment rentals	-	-	401,176	401,176	-
Rubbish collections	-	9,749,379	-	9,749,379	-
Miscellaneous revenue	2,959	674,670	171,581	849,210	-
Total operating revenue	2,842,931	10,424,049	1,362,014	14,628,994	638,559
Operating Expenses					
Personnel services	490,334	2,106,808	670,564	3,267,706	-
Supplies	18,953	36,634	118,111	173,698	-
Water and sewer charges	1,377,442	-	-	1,377,442	-
Operation and maintenance	98,710	824,534	48,613	971,857	-
Depreciation	1,491,019	2,269,665	271,539	4,032,223	-
Other services and charges	202,070	3,891,646	366,555	4,460,271	658,589
Total operating expenses	3,678,528	9,129,287	1,475,382	14,283,197	658,589
Operating (Loss) Income	(835,597)	1,294,762	(113,368)	345,797	(20,030)
Nonoperating Revenue (Expenses)					
Investment income	254,672	2,246,331	32,733	2,533,736	14,436
Interest expense	(472,290)	(14,989)	-	(487,279)	-
Loss on sale of equipment	(19,368)	-	-	(19,368)	-
Property taxes - Downriver sewage disposal system	1,251,333	-	-	1,251,333	-
Total nonoperating revenue	1,014,347	2,231,342	32,733	3,278,422	14,436
Income (Loss) - Before transfers	178,750	3,526,104	(80,635)	3,624,219	(5,594)
Transfers In	208,667	-	-	208,667	-
Transfers Out	-	(3,818,535)	-	(3,818,535)	-
Change in Net Assets	387,417	(292,431)	(80,635)	14,351	(5,594)
Net Assets - Beginning of year	13,503,509	25,908,674	4,221,341	43,633,524	332,881
Net Assets - End of year	\$ 13,890,926	\$ 25,616,243	\$ 4,140,706	\$ 43,647,875	\$ 327,287

City of Riverview, Michigan

Proprietary Funds Statement of Cash Flows Year Ended June 30, 2008

	Major Enterprise Funds			Governmental Activities	
	Water and Sewer	Land Preserve	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities					
Receipts from customers	\$ 2,900,850	\$ 11,425,189	\$ 1,329,281	\$ 15,655,320	\$ 639,035
Payments to suppliers	(1,432,756)	(2,453,942)	(513,951)	(4,400,649)	(739,342)
Payments to employees	(498,696)	(2,102,051)	(662,352)	(3,263,099)	-
Net cash provided by (used in) operating activities	969,398	6,869,196	152,978	7,991,572	(100,307)
Cash Flows from Noncapital Financing Activities					
Net transfers in (out) to other funds	208,667	(3,818,535)	-	(3,609,868)	-
Payments from (to) other funds	33	617	(92)	558	-
Net cash provided by (used in) noncapital financing activities	208,700	(3,817,918)	(92)	(3,609,310)	-
Cash Flows from Capital and Related Financing Activities					
Collection of property taxes	1,251,333	-	-	1,251,333	-
Payment to County Debt Service Fund	(1,724,888)	-	-	(1,724,888)	-
Principal and interest paid on long-term debt	(1,244,847)	(501,702)	(82,610)	(1,829,159)	-
Proceeds from the sale of assets	105,347	-	-	105,347	-
Purchase of capital assets	(226,585)	(1,162,246)	(17,422)	(1,406,253)	(14,436)
Net cash used in capital and related financing activities	(1,839,640)	(1,663,948)	(100,032)	(3,603,620)	(14,436)
Cash Flows from Investing Activities					
Investment income	179,205	2,246,331	32,733	2,458,269	14,436
Net (purchases) sales of investment securities	(247,043)	(3,603,255)	69,293	(3,781,005)	150,111
Net cash (used in) provided by investing activities	(67,838)	(1,356,924)	102,026	(1,322,736)	164,547
Net (Decrease) Increase in Cash and Cash Equivalents	(729,380)	30,406	154,880	(544,094)	49,804
Cash and Cash Equivalents - July 1, 2007	1,752,857	-	38,505	1,791,362	(49,804)
Cash and Cash Equivalents - June 30, 2008	\$ 1,023,477	\$ 30,406	\$ 193,385	\$ 1,247,268	\$ -
Balance Sheet Classification of Cash and Cash Equivalents					
Cash and investments	\$ 3,503,173	\$ 30,406	\$ 698,992	\$ 4,232,571	\$ 231,376
Restricted assets	-	28,711,844	-	28,711,844	-
Total cash and cash equivalents	3,503,173	28,742,250	698,992	32,944,415	231,376
Less investments	(2,479,696)	(28,711,844)	(505,607)	(31,697,147)	(231,376)
Net cash and cash equivalents	\$ 1,023,477	\$ 30,406	\$ 193,385	\$ 1,247,268	\$ -

City of Riverview, Michigan

Proprietary Funds Statement of Cash Flows (Continued) Year Ended June 30, 2008

	Major Enterprise Funds			Governmental Activities	
	Water and Sewer	Land Preserve	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities					
Operating (loss) income	\$ (835,597)	\$ 1,294,762	\$ (113,368)	\$ 345,797	\$ (20,030)
Adjustments to reconcile operating (loss) income to net cash from operating activities:					
Depreciation	1,491,019	2,269,665	271,539	4,032,223	-
Changes in assets and liabilities:					
Receivables	57,919	1,001,140	-	1,059,059	476
Prepaid assets	(15,058)	-	(507)	(15,565)	(101,909)
Inventory	-	(978)	(4,543)	(5,521)	-
Restricted asset receivable	-	78,664	-	78,664	-
Accounts payable	279,477	1,122,262	(8,839)	1,392,900	21,156
Accrued and other liabilities	(8,362)	5,792	8,696	6,126	-
Land preserve closure liability	-	1,097,889	-	1,097,889	-
Net cash provided by (used in) operating activities	<u>\$ 969,398</u>	<u>\$ 6,869,196</u>	<u>\$ 152,978</u>	<u>\$ 7,991,572</u>	<u>\$ (100,307)</u>

Noncash Investing, Capital, and Financing Activities - During the year ended June 30, 2008, the following activities occurred at the County of Wayne that are not reflected in the statement of cash flows:

Assets on Hand - July 1, 2007	<u>\$ 1,102,144</u>
Interest earned on investment	75,467
Judgment levy	1,724,893
Principal paid	(763,500)
Interest paid	<u>(315,071)</u>
Assets on Hand - June 30, 2008	<u>\$ 1,823,933</u>

In addition to the assets on hand at the County, the County issued debt and built infrastructure for the Water and Sewer Fund in the amount of \$1,634,691. In the current year, the Land Preserve Fund purchased capital assets of \$506,410 and the Water and Sewer Fund purchased capital assets of \$98,627 through the issuance of capital lease obligations (see Note 7). Also, the Water and Sewer Fund, Land Preserve Fund, and Golf Course Fund transferred capital assets to various other funds with net book values of \$14,341, \$4,641, and \$2,800, respectively.

City of Riverview, Michigan

Fiduciary Funds Statement of Net Assets June 30, 2008

	Pension Trust Fund - Employees' Retirement System	Private Purpose Trust Fund - Community Trust	Agency Funds
Assets			
Cash and cash equivalents	\$ 1,286,831	\$ 23,980	\$ 84,957
Investments:			
Corporate bonds and notes	2,751,401	-	-
U.S. government securities	3,083,074	-	-
Common and preferred stock	14,180,773	-	-
Other receivables	479,242	-	92,664
Total assets	21,781,321	23,980	<u><u>\$ 177,621</u></u>
Liabilities			
Escrow	-	-	\$ 76,990
Due to other governmental units	-	-	100,631
Other	-	17,827	-
Total liabilities	-	17,827	<u><u>\$ 177,621</u></u>
Net Assets			
Reserved:			
Employee contributions	4,097,618	-	
Retired benefit payments	13,052,082	-	
Employer contributions	949,677	-	
Undistributed income	3,681,944	-	
Unreserved	-	6,153	
Total net assets	<u><u>\$ 21,781,321</u></u>	<u><u>\$ 6,153</u></u>	

City of Riverview, Michigan

Fiduciary Funds Statement of Changes in Net Assets Pension and Private Purpose Trust Funds Year Ended June 30, 2008

	Pension Trust Fund - Employees' Retirement System	Private Purpose Trust Fund - Community Trust
Additions		
Investment income (loss):		
Interest and dividends	\$ 1,123,004	\$ -
Net decrease in fair value of investments	(2,481,804)	-
Less investment expenses	(162,434)	-
	(1,521,234)	-
Net investment loss		
Contributions:		
Employer	949,677	-
Employee	247,768	-
	1,197,445	-
Total contributions		
	(323,789)	-
Total additions		
Deductions - Benefit payments	1,479,799	-
Net Decrease	(1,803,588)	-
Net Assets Held in Trust for Pension Benefits and Private Purpose Trust Fund		
Beginning of year	23,584,909	6,153
End of year	<u>\$ 21,781,321</u>	<u>\$ 6,153</u>

Note I - Summary of Significant Accounting Policies

The accounting policies of the City of Riverview, Michigan (the "City") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the City of Riverview, Michigan:

Reporting Entity

The City of Riverview, Michigan is governed by a mayor and six-member council. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Although the blended component unit is a legal separate entity, in substance, it is part of the City's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Unit - The City's Building Authority is a City-created and directed authority whose sole business activity is acquiring and leasing property to the City. Although it is legally separate from the City, it is reported as if it were part of the primary government because its primary purpose is to finance and construct the City's public buildings, and its operations consist of the issuance and repayment of debt and the related construction. The operations of the Building Authority are reported as a nonmajor Debt Service Fund.

Discretely Presented Component Unit - The Economic Development Corporation (the "EDC") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The EDC's governing body, consisting of nine individuals, is appointed by the City Council. Complete financial statements for the EDC can be obtained from the administrative office at 14100 Civic Park Drive, Riverview, MI 48193.

Note I - Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City (the primary government) and its discretely presented component unit. The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the discretely presented component unit for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenue items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Major Streets Fund - The Major Streets Fund accounts for maintenance and improvement activities for streets designated as "major" within the City. Funding is provided primarily through state-shared gas and weight taxes.

Note I - Summary of Significant Accounting Policies (Continued)

Local Streets Fund - The Local Streets Fund accounts for maintenance and improvement activities for streets designated as “local” within the City. Funding is provided primarily through state-shared gas and weight taxes and a local property tax levy.

The City reports the following major proprietary funds:

Water and Sewer Fund - The Water and Sewer Fund accounts for the activities of the water distribution system and the sewage and storm water collection systems. Funding is provided primarily through user charges and a local property tax levy.

Land Preserve Fund - The Land Preserve Fund accounts for the activities of the landfill operation. Funding is provided primarily through user charges.

Additionally, the City reports the following fund types:

Internal Service Fund - The Internal Service Fund is used to fund general liability claims and purchase insurance that provides excess general liability coverage for City employees and property. The fund is financed primarily by charges to the various departments of the City.

Pension Trust Fund - The Pension Trust Fund accounts for the activities of the employee benefit plan that accumulates resources for pension payments to qualified employees.

Private Purpose Trust Fund - The Private Purpose Trust Fund accounts for the activity of resources donated for the veterans’ memorial.

Agency Funds - The Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, or other governments.

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenue, special assessments, licenses, charges for services, and interest. All other revenue items are considered to be available only when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The City reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received prior to the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Note 1 - Summary of Significant Accounting Policies (Continued)

Private sector standards of accounting issued before December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The City has elected not to apply private sector standards issued after November 30, 1989 for its Enterprise Funds.

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Property Taxes - Properties are assessed as of December 31. The related property taxes are billed on the following July 1, are due on August 31, and become a lien on December 1 with the final collection date of February 28 before they are added to the county tax rolls.

The 2007 taxable valuation of the City totaled \$387 million, on which ad valorem taxes levied consisted of 14.71 mills for the City's operating purposes and 3.25 mills for sewage disposal debt. The ad valorem taxes levied raised \$5.7 million for operations (taxes are reflected in the General Fund, Local Street Fund, Library Fund, and Capital Improvement and Equipment Fund) and \$1.2 million for sewage disposal debt.

The delinquent real property taxes of the City are purchased by Wayne County. The county sells tax notes, the proceeds of which are used to pay the City for these property taxes. Wayne County remitted its purchased delinquent real property taxes in July 2008. Wayne County's delinquent real property taxes have been recorded as revenue in the current year.

Inventories - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted Assets - The City is required by state and federal laws and regulations to make contributions to a trust to finance closure and postclosure care costs of the land preserve. These amounts have all been classified as restricted assets. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted assets first, then unrestricted assets as they are needed.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Infrastructure	10 to 30 years
Buildings and improvements	20 to 30 years
Land improvements	5 to 40 years
Vehicles	1 to 10 years
Furniture, fixtures, and equipment	5 to 30 years
Water and sewer distribution systems	20 to 40 years

Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused sick and vacation benefits. Under the City's policy, employees earn benefits based on time of service with the City. A liability is recorded when incurred in the government-wide financial statements and the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due for payment - generally when an individual's employment has terminated as of year end.

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information - The annual budget is prepared by the city manager and adopted by the City Council; subsequent amendments are approved by the City Council. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America, with the exception of operating transfers, which have been included in the "revenue" and "expenditures" categories, rather than as "other financing sources (uses)."

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

The budget statements (budgetary combined schedules for the General and Major Special Revenue Funds) are presented on the same basis of accounting used in preparing the adopted budget.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the first regular meeting in April, the city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. As provided for by the City Charter, not later than the second Monday in June, the budget is legally adopted through the passage of budget resolutions for each fund.
4. The city manager is authorized to transfer budgeted amounts within departments; however, any revisions that alter the total expenditure of any department, and transfers between funds or department, or from contingency must be approved by the City Council.

The budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the General Fund and major Special Revenue Funds budgets as adopted by the City Council is included in the required supplemental information. This comparison includes expenditure overruns. A comparison of the actual results of operations to the nonmajor Special Revenue Funds budgets as adopted by the City Council is available at the city hall for inspection.

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the City had no expenditures that were significantly in excess of the amounts budgeted other than the Public Safety department in the General Fund. The amended budget is \$3,600,901 and the actual amount reported is \$3,796,152, which is an overage of \$195,251. This excess of expenditures over amended budget is due to the fact that the City opened a Special Revenue Fund in the current year and transferred out \$178,115 to set up the Drug and Law Enforcement Fund. This amount was not originally budgeted for.

State Construction Code Act - The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2007		\$ (1,129,715)
Current year building permit revenue		118,377
Related expenses:		
Direct costs	\$ 209,184	
Estimated indirect costs	<u>20,918</u>	
Total construction code expenses		<u>230,102</u>
Cumulative shortfall at June 30, 2008		<u><u>\$ (1,241,440)</u></u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in certificates of deposit of financial institutions that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; bankers' acceptances of United States banks; commercial paper which matures not more than 270 days after the date of purchase; investment pools through an interlocal agreement under the Urban Cooperation Act of 1967; investment pools organized under the Surplus Investment Act of 1982; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Note 3 - Deposits and Investments (Continued)

The Employees' Retirement System is also authorized by Michigan's Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated four banks for the deposit of its funds. The investment policy adopted by the City Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The City of Riverview, Michigan's deposits and investment policies are in accordance with statutory authority.

Declines in Investment Values - Subsequent to year end, the City's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had \$2,383,132 of bank deposits (certificates of deposit, checking, and savings accounts). Of that amount, approximately \$400,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The City believes that due to the dollar amount of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. To the extent that cash from various funds has been pooled, related investment income is allocated to each fund based on relative participation in the pool.

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with maximum of a 270-day maturity. The majority of the City's investments are recorded in the Land Preserve Fund. The Land Preserve Fund's investments hold longer maturities due to the fact that the land preserve will not need these funds until it is closed sometime in the distant future. At year end, the average maturities of investments are as follows:

Investment Type	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	10 Years and More
Primary Government					
U.S. government agencies and securities:					
Tennessee Valley Authority	\$ 99,969	\$ 99,969	\$ -	\$ -	\$ -
Farmer Mac	104,781	-	104,781	-	-
FICO	207,852	144,141	63,711	-	-
FFCB Callable	56,088	56,088	-	-	-
Federal Farm Credit Bank	154,172	-	154,172	-	-
Federal Home Loan Bank	3,342,419	690,356	2,160,268	362,694	129,101
Federal Home Loan Mortgage Corp.	4,954,701	503,750	3,009,682	1,382,330	58,939
Federal National Mortgage Association	12,015,547	3,737,736	2,845,960	4,479,585	952,266
Government National Mortgage Association	7,603	-	-	-	7,603
U.S. Treasury Notes	11,990,934	2,913,955	5,055,148	4,021,831	-
Fiduciary Funds					
U.S. government agencies and securities:					
Federal Home Loan Mortgage Corp.	801,044	-	801,044	-	-
Federal National Mortgage Association	1,317,442	19,926	588,905	-	708,611
Government National Mortgage Association	1,361	-	-	-	1,361
U.S. Treasury notes	1,972,749	-	1,353,422	619,327	-
Corporate bonds	1,066,864	-	483,376	583,488	-

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 3 - Deposits and Investments (Continued)

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment Type	Fair Value	Rating	Rating Organization
Primary Government			
UBS money market	\$ 748,945	AAAm	S & P
U.S. government agencies and securities:			
Tennessee Valley Authority	99,969	AAA	S & P
Farmer Mac	104,781	AAA	S & P
FICO	207,852	AAA	S & P
FFCB Callable	56,087	AAA	S & P
Federal Farm Credit Bank	154,172	AAA	S & P
Federal Home Loan Bank	3,342,419	AAA	S & P
Federal Home Loan Mortgage Corp.	4,954,701	AAA	S & P
Federal National Mortgage Association	12,065,447	AAA	S & P
Fiduciary Funds			
U.S. government agencies and securities:			
Federal Home Loan Mortgage Corp.	773,000	AAA	S & P
Federal Home Loan Mortgage Corp.	28,044	Not rated	N/A
Federal National Mortgage Association	1,317,442	AAA	S & P
Corporate bonds	106,016	Aaa	Moody's
Corporate bonds	20,203	Aa1	Moody's
Corporate bonds	165,641	Aa2	Moody's
Corporate bonds	226,919	Aa3	Moody's
Corporate bonds	270,394	A2	Moody's
Corporate bonds	89,656	A3	Moody's
Corporate bonds	154,061	A1	Moody's
Corporate bonds	14,874	A-	S & P
Corporate bonds	19,100	Aaa	Moody's
Asset-backed security	440,054	Aaa	Moody's

Note 3 - Deposits and Investments (Continued)

Concentration of Credit Risk - The City places no limit on the amount the City may invest in any one issuer. The City has more than 5 percent of its investments in the following:

Governmental Activities

U.S. government agencies and securities:

Federal Home Loan Bank	11.21%
Federal Home Loan Mortgage Corp.	14.01%
Federal National Mortgage Association	34.10%

Land Preserve Fund

U.S. government agencies and securities:

Federal Home Loan Bank	3.51%
Federal National Mortgage Association	36.97%
Federal Home Loan Mortgage Corp.	11.10%

Fiduciary Funds

U.S. government agencies and securities:

Federal Home Loan Mortgage Corp.	5.38%
Federal National Mortgage Association	8.73%
Corporate bonds	10.26%

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 4 - Interfund Receivables, Payables, and Transfers

The composition of interfund receivables at June 30, 2008 is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Major Streets Fund	\$ 1,837
	Local Streets Fund	806
	Nonmajor governmental funds	92,533
	Total General Fund	95,176
Nonmajor governmental funds	Water and Sewer Fund	65,553
Enterprise Funds:		
Water and Sewer Fund	Nonmajor governmental funds	32,519
	Land Preserve Fund	58,999
	Nonmajor enterprise funds	2,708
	Total Water and Sewer Fund	94,226
Land Preserve Fund	Water and Sewer Fund	2,985,706
	Nonmajor Enterprise Fund	390,000
	Total Land Preserve Fund	3,375,706
Nonmajor Enterprise Fund	Nonmajor Enterprise Fund	78,064
	Total Enterprise Funds	3,547,996
	Total	\$ 3,708,725

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 4 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund statements were as follows:

Fund Transferred From	Fund Transferred To		Amount
General Fund	Nonmajor governmental funds	(4)	\$ 178,115
Major Streets Fund	Local Streets Fund	(3)	111,411
Nonmajor governmental funds	General Fund	(1)	61,058
	Nonmajor governmental funds	(2)	122,903
	Water and Sewer Fund	(2)	25,000
	Total nonmajor governmental funds		208,961
Land Preserve Fund	General Fund	(1)	2,235,961
	Local Streets Fund	(1)	500,000
	Nonmajor governmental funds	(1)	898,907
	Water and Sewer Fund	(2)	183,667
	Total Land Preserve Fund		3,818,535
	Total		<u>\$ 4,317,022</u>

- (1) Transfer of discretionary funds to be used for the benefit of the community
- (2) Transfer of discretionary funds to offset debt payments
- (3) Transfer allowed under state law Act 51 for maintenance
- (4) Transfer of funds restricted for the purpose of drug forfeiture used to set up a separate Drug Forfeiture Fund

Note 5 - Restricted Assets

Restricted assets at June 30, 2008 consist of the following:

	Business-type Activities		
	Water and Sewer Fund	Land Preserve Fund	Total
Cash and investments	\$ -	\$ 28,711,844	\$ 28,711,844
Accounts receivable - Restricted portion of April, May, and June 2008 receipts physically transferred in August 2008	-	631,357	631,357
Deposits held by Wayne County - Water and Sewer Fund	<u>1,823,933</u>	<u>-</u>	<u>1,823,933</u>
Total restricted assets	<u>\$ 1,823,933</u>	<u>\$ 29,343,201</u>	<u>\$ 31,167,134</u>

Note 5 - Restricted Assets (Continued)

Water and Sewer - The City also has assets of \$1,823,933 held at Wayne County that are restricted for debt payments related to the Downriver Sewage Disposal System project. The restricted assets balance results from the debt service tax levy in excess of debt expenses for the Downriver Sewage Disposal System project. Of this amount, \$818,274 of debt is currently payable from restricted assets and the remainder of the assets is for long-term debt obligations.

Landfill - Closure and Postclosure Care Costs - State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of the closure and postclosure care costs as an operating expense in each period based on the acres of the entire permitted site used as of each balance sheet date. The \$21,059,519 reported as landfill closure and postclosure liability at June 30, 2008 represents the cumulative amount reported to date based on the closure and postclosure costs related to the acres of the permitted site that have been used. The City will recognize the remaining estimate of closure and postclosure care costs of approximately \$4.4 million as the remaining estimated capacity is filled.

These amounts are based on what it would cost to perform all closure and postclosure care in current dollars. The City expects to close the landfill in the year 2021. On a volume basis versus site acreage basis, approximately 61 percent of landfill capacity is used as of June 30, 2008. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make contributions to a trust to finance closure and postclosure care (see Note 8). The City is in compliance with these requirements and, at June 30, 2008, investments of \$28,711,844 and accounts receivable of \$631,357 are held for these purposes. These are reported as restricted assets on the balance sheet. Net assets have been restricted for \$8,283,682, which is the total restricted assets of \$29,343,201 less the closure and postclosure liability of \$21,059,519. The City expects that future inflation costs will be paid from interest earnings on these contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 6 - Capital Assets

Capital asset activity of the City's governmental and business-type activities was as follows:

	Balance July 1, 2007	Additions	Disposals	Transfers	Balance June 30, 2008
Governmental activities:					
Capital assets not being depreciated - Land	\$ 11,561,257	\$ 5,370	\$ -	\$ -	\$ 11,566,627
Capital assets being depreciated:					
Infrastructure	38,062,171	255,670	-	-	38,317,841
Buildings and improvements	9,839,539	80,648	-	-	9,920,187
Equipment and vehicles	<u>5,539,930</u>	<u>876,200</u>	<u>(575,336)</u>	<u>(2,039)</u>	<u>5,838,755</u>
Subtotal	53,441,640	1,212,518	(575,336)	(2,039)	54,076,783
Accumulated depreciation:					
Infrastructure	17,967,271	1,470,542	-	-	19,437,813
Buildings and improvements	7,895,775	153,185	-	-	8,048,960
Equipment and vehicles	<u>4,633,930</u>	<u>508,780</u>	<u>(560,963)</u>	<u>(8,939)</u>	<u>4,572,808</u>
Subtotal	<u>30,496,976</u>	<u>2,132,507</u>	<u>(560,963)</u>	<u>(8,939)</u>	<u>32,059,581</u>
Net capital assets being depreciated	<u>22,944,664</u>	<u>(919,989)</u>	<u>(14,373)</u>	<u>6,900</u>	<u>22,017,202</u>
Net governmental capital assets	<u>\$ 34,505,921</u>	<u>\$ (914,619)</u>	<u>\$ (14,373)</u>	<u>\$ 6,900</u>	<u>\$ 33,583,829</u>

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 6 - Capital Assets (Continued)

	Balance July 1, 2007	Additions	Disposals	Transfers	Balance June 30, 2008
Business-type activities:					
Water and sewer capital assets:					
Capital assets being depreciated:					
Buildings and improvements	\$ 81,135	\$ -	\$ -	\$ -	\$ 81,135
Vehicles	438,119	557,011	(315,559)	-	679,571
Furniture, fixtures, and equipment	1,032,953	175,984	-	-	1,208,937
Water and sewer distribution systems	39,283,789	1,634,691	-	-	40,918,480
Subtotal	40,835,996	2,367,686	(315,559)	-	42,888,123
Accumulated depreciation:					
Buildings and improvements	78,633	252	-	-	78,885
Vehicles	297,486	135,053	(210,212)	14,341	236,668
Furniture, fixtures, and equipment	563,455	89,914	-	-	653,369
Water and sewer distribution systems	11,851,834	1,265,800	-	-	13,117,634
Subtotal	12,791,408	1,491,019	(210,212)	14,341	14,086,556
Net water and sewer capital assets	28,044,588	876,667	(105,347)	(14,341)	28,801,567
Golf course capital assets:					
Capital assets being depreciated:					
Buildings and improvements	1,117,254	-	-	-	1,117,254
Land improvements*	1,451,480	-	-	-	1,451,480
Furniture, fixtures, and equipment	1,009,457	17,422	(51,816)	106,626	1,081,689
Subtotal	3,578,191	17,422	(51,816)	106,626	3,650,423
Accumulated depreciation:					
Buildings and improvements	958,937	41,651	-	-	1,000,588
Land improvements	262,254	39,387	-	-	301,641
Furniture, fixtures, and equipment	649,319	70,798	(51,816)	103,826	772,127
Subtotal	1,870,510	151,836	(51,816)	103,826	2,074,356
Net golf course capital assets	1,707,681	(134,414)	-	2,800	1,576,067
Land preserve capital assets:					
Capital assets not being depreciated -					
Land	2,772,377	-	-	-	2,772,377
Capital assets being depreciated:					
Buildings and land improvements	23,928,473	733,225	-	-	24,661,698
Vehicles	103,351	22,499	-	49,427	175,277
Furniture, fixtures, and equipment	5,682,523	505,149	(5,825)	(32,554)	6,149,293
Subtotal	29,714,347	1,260,873	(5,825)	16,873	30,986,268

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 6 - Capital Assets (Continued)

	Balance July 1, 2007	Additions	Disposals	Transfers	Balance June 30, 2008
Business-type activities (Continued):					
Land preserve capital assets (Continued):					
Accumulated depreciation:					
Buildings and land improvements	\$ 13,249,706	\$ 1,259,066	\$ -	\$ -	\$ 14,508,772
Vehicles	80,359	2,320		49,427	132,106
Furniture, fixtures, and equipment	2,356,543	1,008,279	(5,825)	(37,195)	3,321,802
Subtotal	15,686,608	2,269,665	(5,825)	12,232	17,962,680
Net capital assets being depreciated	14,027,739	(1,008,792)	-	4,641	13,023,588
Net land preserve capital assets	16,800,116	(1,008,792)	-	4,641	15,795,965
Golf practice capital assets:					
Capital assets not being depreciated -					
Land	691,901	-	-	-	691,901
Capital assets being depreciated:					
Buildings and land improvements	1,314,767	-	-	-	1,314,767
Furniture, fixtures, and equipment	1,387,916	-	-	-	1,387,916
Subtotal	2,702,683	-	-	-	2,702,683
Accumulated depreciation:					
Buildings and improvements	396,509	59,464	-	-	455,973
Furniture, fixtures, and equipment	389,716	60,239	-	-	449,955
Subtotal	786,225	119,703	-	-	905,928
Net capital assets being depreciated	1,916,458	(119,703)	-	-	1,796,755
Net golf practice capital assets	2,608,359	(119,703)	-	-	2,488,656
Net business-type activity capital assets	\$ 49,160,744	\$ (386,242)	\$ (105,347)	\$ (6,900)	\$ 48,662,255

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$ 1,532,661
Public safety	254,179
Public works	134,825
Recreation and culture	210,842

Total governmental activities \$ 2,132,507

Business-type activities:

Water and sewer	\$ 1,491,019
Golf course	151,836
Land preserve	2,269,665
Golf practice	119,703

Total business-type activities \$ 4,032,223

Note 6 - Capital Assets (Continued)

Construction Commitments - The City had no significant active construction projects at year end.

Note 7 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements are also general obligations of the government. Other long-term obligations include capital lease obligations, compensated absences, claims and judgments, and certain risk liabilities.

Future Revenues Pledged for Debt Payment - The above business-type activity county contractual agreements to the County are the result of the County issuing bonds on the City's behalf. The City has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the obligations; in addition, it has pledged to raise property taxes, to the extent permitted by law, if necessary to fund the obligation to repay the County. Proceeds from the County bonds provided financing for the construction of the downriver sewage disposal system. The remaining principal and interest to be paid on the bonds total \$14,645,937. During the current year, net revenues of the system were \$655,422 and property tax collections were \$1,251,333 compared to the annual debt requirements of \$1,078,566.

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 7 - Long-term Debt (Continued)

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:						
General obligation bonds - 2003 Library Building Authority Refunding Bonds:						
Amount of issue - \$1,160,000	2.40% -					
Maturing through 2014	3.80%	\$ 875,000	\$ -	\$ (95,000)	\$ 780,000	\$ 95,000
General obligation bonds - 2004 Street Bonds:						
Amount of issue - \$7,600,000	2.00% -					
Maturing through 2014	3.125%	5,450,000	-	(725,000)	4,725,000	740,000
Capital lease obligations:						
Sun Trust Equipment Leasing Debt						
Amount of issue - \$400,341						
Maturing through 2012	3.99%	-	400,341	(37,653)	362,688	85,372
Compensated absences		657,011	412,790	(449,205)	620,596	26,135
Total governmental activities		6,982,011	813,131	(1,306,858)	6,488,284	946,507
Business-type activities:						
General obligation bonds:						
1993 General Obligation Limited Tax Bonds:						
Amount of issue - \$10,860,000						
Maturing through 2015	2.00%	4,833,538	-	(565,000)	4,268,538	580,000
2003 General Obligation Limited Tax Refunding Bonds:						
Amount of issue - \$1,295,000	2.50% -					
Maturing through 2015	3.60%	955,000	-	(100,000)	855,000	110,000
Capital lease obligations:						
Chase Equipment Leasing Debt						
Amount of issue - \$2,292,265						
Maturing through 2010	3.37%	1,171,929	-	(597,698)	574,231	574,232
Chase Equipment Leasing Debt						
Amount of issue - \$331,650						
Maturing through 2009	4.36%	259,020	-	(82,610)	176,410	86,285
Wells Fargo Equipment Leasing Debt						
Amount of issue - \$989,450						
Maturing through 2009	5.38%	869,695	-	(249,262)	620,433	262,852
Sun Trust Equipment Leasing Debt						
Amount of issue - \$605,037						
Maturing through 2012	3.99%	-	605,037	(56,905)	548,132	129,023

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 7 - Long-term Debt (Continued)

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities (Continued):						
County contractual agreements:						
Downriver Sewage Disposal System Bonds						
Series A Refunding Bonds:						
Amount of issue - \$328,862						
Maturing through 2013	Various	\$ 234,168	\$ -	\$ (29,112)	\$ 205,056	\$ 30,380
Downriver Sewage Disposal System Bonds Series B:						
Amount of issue - \$701,512						
Maturing through 2018	Various	511,470	-	(32,258)	479,212	33,661
State Revolving Fund Loan:						
Amount of issue - \$14,428,703	2.00% -					
Maturing through 2021	2.50%	10,491,861	-	(680,904)	9,810,957	711,461
Downriver Sewage Disposal System 2007 Bonds Series B:						
Amount of issue - \$1,421,841	4.18% -					
Maturing through 2027	5.04%	-	1,421,841	-	1,421,841	42,772
Downriver Sewage Disposal System 2007 Bonds Series D:						
Amount of issue - \$212,850	3.95% -					
Maturing through 2028	4.61%	-	212,850	-	212,850	-
City of Ecorse plant capacity obligation:						
Amount of issue - \$518,402	-					
Maturing through 2021		276,245	-	(26,697)	249,548	26,680
Total bonds and other contractual obligations		19,602,926	2,239,728	(2,420,446)	19,422,208	2,587,346
Other long-term obligations - Compensated absences		52,472	83,426	(82,587)	53,311	-
Total business-type activities		19,655,398	2,323,154	(2,503,033)	19,475,519	2,587,346
Total governmental and business-type activities		\$ 26,637,409	\$ 3,136,285	\$ (3,809,891)	\$ 25,963,803	\$ 3,533,853

Annual debt service requirements to maturity for the above bond and contractual obligations are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 920,372	\$ 158,609	\$ 1,078,981	\$ 2,587,346	\$ 494,678	\$ 3,082,024
2010	948,812	134,063	1,082,875	2,154,214	424,829	2,579,043
2011	972,391	108,078	1,080,469	1,749,717	374,816	2,124,533
2012	1,001,114	80,077	1,081,191	1,803,955	334,979	2,138,934
2013	935,000	49,966	984,966	1,693,857	258,322	1,952,179
2014-2018	1,089,999	35,687	1,125,686	6,354,804	863,190	7,217,994
2019-2023	-	-	-	2,398,015	295,600	2,693,615
2024-2028	-	-	-	564,307	-	564,307
2029	-	-	-	115,993	-	115,993
Total	\$ 5,867,688	\$ 566,480	\$ 6,434,168	\$ 19,422,208	\$ 3,046,414	\$ 22,468,622

Note 8 - Commitments and Contingencies

State of Michigan Perpetual Care Fund - In October 1990, the City entered into an escrow agreement with the State of Michigan Department of Natural Resources to establish a perpetual care fund. This agreement requires that the City deposit into the perpetual care fund escrow account a fixed amount for every unit of solid waste disposed of in the Riverview Land Preserve. These funds, along with all earnings, interest, and profits, are to be used solely for payment of the costs of closure, monitoring, maintenance, or response activities at the facility necessary to protect public health, safety, and welfare or to protect the environment. The perpetual care fund is reported in the restricted assets of the Land Preserve Fund.

Lawsuits - There are several lawsuits pending against the City. The estimated liabilities associated with these lawsuits, if any, cannot be determined and management expects any settlements to be covered by the City's insurance; therefore, no liability has been recorded.

Commitments and Obligations - The City is part of the Downriver Sewage Disposal System (DSDS). In fiscal year 2009, the DSDS expects to issue Limited Tax General Obligation Bonds for which the City's portion will be \$1,589,957.

In fiscal year 2009, the City purchased various land-fill equipment for approximately \$1.7 million for which the City entered into a capital lease obligation.

In prior years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the basic financial statements. At June 30, 2008, \$1,610,000 of bonds outstanding is considered defeased.

Note 9 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees.

Note 9 - Risk Management (Continued)

The City has purchased commercial insurance for medical benefits, participates in the Michigan Municipal League risk pool program for workers' compensation, and participates in the Michigan Municipal Risk Management Authority (the "Authority") risk pool program for claims related to general and auto liability, auto physical damage, and property. The Authority operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although funds are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the City. Settled claims relating to commercial health insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 10 - Retirement Plan

Plan Description

The City of Riverview Employees' Retirement System is a single-employer defined benefit pension plan that is administered by the City of Riverview; this plan covers all qualified general and police employees of the City. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. At June 30, 2007, the date of the most recent actuarial valuation, membership consisted of 76 retirees and beneficiaries currently receiving benefits and six terminated employees entitled to benefits but not yet receiving them, and 77 current active employees. The plan does not issue a separate financial report.

Note 10 - Retirement Plan (Continued)

Annual Pension Costs

For the year ended June 30, 2008, the City was required to make a contribution to the pension plan of \$949,677, exclusive of \$247,768 of employee contributions, which was equal to the City's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at June 30, 2007, using the entry age cost method. Significant actuarial assumptions used include (a) a 7.50 percent investment rate of return, (b) projected salary increases of 5 percent per year compounded annually, (c) additional projected salary increases ranging from 0 percent to 4 percent per year, depending on age, attributable to seniority/merit, and (d) no postretirement benefit increases. An inflation component of 5 percent is included in (b) above. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 16 years.

Contributions

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Please refer to Note 1 for further significant accounting policies.

The obligation to contribute to and maintain the system for these employees was established by negotiation with the City's competitive bargaining units and requires a contribution from the employees of 5 percent. The funding policy provides for periodic employer contributions at actuarially determined rates.

City of Riverview, Michigan

Notes to Financial Statements June 30, 2008

Note 10 - Retirement Plan (Continued)

Reserve Balances

The reserves for the retirement systems at June 30, 2008 consist of the following:

Legally required reserves:

Reserved for employee contributions	\$ 4,097,618
Reserved for retiree benefit payments	13,052,082

Additional reserves:

Reserved for employer contributions	949,677
Reserved for undistributed income	3,681,944

Total	<u>\$ 21,781,321</u>
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Three-year trend information as of June 30 follows:

	Fiscal Year Ended June 30		
	2006	2007	2008
Employees' Retirement System:			
Annual pension costs (APC)	\$ 801,016	\$ 975,555	\$ 949,677
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

Supplemental Information

The required supplemental information presented directly following the notes to the financial statements contained in the combining and individual fund section is designed to provide information about the plans' progress in accumulating sufficient assets to pay benefits when due.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered
06/30/02	\$ 21,549,980	\$ 21,301,907	\$ (248,073)	101.2	\$ 4,976,624	-
06/30/03	21,077,951	22,297,515	1,219,564	94.5	5,025,115	24.3
06/30/04	21,885,428	23,292,715	1,407,287	94.0	5,064,717	27.8
06/30/05	21,807,937	24,972,621	3,164,684	87.3	5,292,595	59.8
06/30/06	21,611,224	26,358,737	4,747,513	82.0	4,866,039	97.6
06/30/07	23,059,510	27,199,099	4,139,589	84.8	4,862,204	85.1

Note 11 - Other Postemployment Benefits

The City provides health care to all full-time employees upon retirement, in accordance with labor contracts. Currently, 63 retirees are eligible. The City includes pre-Medicare retirees and their dependents in its insured healthcare plan, with some retired employee groups contributing a portion of the cost. The City purchases Medicare supplemental insurance for retirees eligible for Medicare. Expenditures for postemployment healthcare benefits were paid by the General Fund as the insurance premiums became due; during the year, this amounted to approximately \$765,000.

Upcoming Reporting Change - The Governmental Accounting Standards Board has recently released Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any other postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree healthcare coverage over the working life of the employee, rather than at the time the healthcare premiums are paid. The new pronouncement is effective for the year ending June 30, 2009.

Note 12 - Defined Contribution Pension Plan

The City established a defined contribution pension plan under Section 401(a) of the Internal Revenue Code for the following employees:

- Clerical (AFSCME Local 1882) members hired on or after January 1, 2005
- Public works (AFSCME Local 1590) members hired on or after July 1, 2003

In a defined contribution plan, investments are managed by a third party, and investment decisions are made by the individual employees. As established by the City of Riverview through collective bargaining agreements for the employees listed above, the employee is ineligible for participation in the City's retirement system. Instead, the employee has the option of enrolling in the defined contribution plan and receiving a matching contribution by the City. The employees' contributions are limited to the maximum as per the IRS, with the City matching up to 5 percent of their qualified earnings.

The City's contributions for each employee (plus interest allocated to the employee's account) are fully vested after five years of service.

Note 12 - Defined Contribution Pension Plan (Continued)

In addition, the City has had in place a separate plan for their administrators and tech/pros, in which the City contributes a percentage of the employee's qualified earnings regardless of whether the employee contributes. The range of contributions is from 2.5 percent to 7.5 percent, and is based on years of service.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. In accordance with the requirements, the City expensed \$110,851 during the current year.

Employees are permitted, but not required, to make contributions up to the maximum allowed by law. For the year ended June 30, 2008, employee contributions were \$193,847.

Required Supplemental Information

City of Riverview, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Fund Balance - Beginning of year	\$ 711,620	\$ 711,620	\$ 711,620	\$ -
Revenues				
Property taxes	4,996,701	4,996,701	4,975,164	(21,537)
Federal sources	18,988	50,355	56,126	5,771
State sources	1,250,070	1,265,070	1,282,818	17,748
Charges to other funds	682,959	682,959	687,294	4,335
Investment income	100,000	102,700	101,148	(1,552)
Other revenues:				
Business licenses	82,962	82,962	56,200	(26,762)
Nonbusiness licenses and permits	85,400	85,400	118,377	32,977
Operating transfers in	2,326,112	2,492,554	2,297,019	(195,535)
Court fines (net of costs)	114,890	114,890	93,412	(21,478)
Recreation	171,379	171,379	186,634	15,255
Reimbursements	46,000	46,000	56,280	10,280
Ambulance fees	350,000	350,000	275,612	(74,388)
Miscellaneous	91,195	92,490	88,310	(4,180)
Total other revenues	3,267,938	3,435,675	3,171,844	(263,831)
Total revenues	10,316,656	10,533,460	10,274,394	(259,066)
Expenditures				
General government:				
City Council	57,635	57,635	47,715	9,920
City manager	201,429	201,429	192,000	9,429
Assessor and purchasing agent	238,658	238,658	214,915	23,743
Attorney	246,600	246,600	258,251	(11,651)
Clerk	305,595	305,595	257,068	48,527
Human resources	122,256	125,112	120,558	4,554
Finance	347,463	344,607	341,238	3,369
Total general government	1,519,636	1,519,636	1,431,745	87,891
Public safety:				
Police	3,549,744	3,600,901	3,796,152	(195,251)
Fire	1,177,431	1,186,176	1,201,156	(14,980)
Total public safety	4,727,175	4,787,077	4,997,308	(210,231)
Public works:				
Department of Public Works	937,183	968,762	915,312	53,450
Building maintenance	451,169	449,184	443,894	5,290
Engineering and building	260,101	260,101	209,184	50,917
Motor vehicle pool	333,727	334,296	287,451	46,845
Total public works	1,982,180	2,012,343	1,855,841	156,502

City of Riverview, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures (Continued)				
Community and Economic Development -				
Community development	\$ 239,560	\$ 239,560	\$ 229,109	\$ 10,451
Recreation and culture:				
Recreation	477,554	497,549	420,827	76,722
Pheasant Run pool	34,451	34,451	20,433	14,018
Parks	73,326	74,326	54,087	20,239
Total recreation and culture	585,331	606,326	495,347	110,979
Employee benefits and other:				
Employee benefits	930,651	1,060,503	1,040,999	19,504
Information technology	150,135	150,135	142,733	7,402
Insurance and bonds	244,878	244,878	244,383	495
Total employee benefits and other	1,325,664	1,455,516	1,428,115	27,401
Total expenditures	10,379,546	10,620,458	10,437,465	182,993
Excess of Expenditures Over Revenue	(62,890)	(86,998)	(163,071)	(76,073)
Fund Balance - End of year	\$ 648,730	\$ 624,622	\$ 548,549	\$ (76,073)

City of Riverview, Michigan

	Major Streets Fund			Variance with Final Budget Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Fund Balance - Beginning of year	\$ 1,734,353	\$ 1,734,353	\$ 1,734,353	\$ -
Revenues				
Property taxes	-	-	-	-
Federal sources	-	-	-	-
State sources	464,019	464,019	445,645	(18,374)
Investment income	50,000	50,000	63,806	13,806
Transfers in	-	-	-	-
Total revenues	514,019	514,019	509,451	(4,568)
Expenditures				
Public works	360,554	460,951	327,818	133,133
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Transfers out	116,005	116,005	111,411	4,594
Total expenditures	476,559	576,956	439,229	137,727
Excess of Revenues Over (Under) Expenditures	37,460	(62,937)	70,222	133,159
Fund Balance - End of year	\$ 1,771,813	\$ 1,671,416	\$ 1,804,575	\$ 133,159

Required Supplemental Information
Budgetary Comparison Schedule
Major Special Revenue Funds
Year Ended June 30, 2008

Local Streets Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
\$ 363,156	\$ 363,156	\$ 363,156	\$ -
289,462	289,462	288,800	(662)
229,272	229,272	223,931	(5,341)
50,000	50,000	17,249	(32,751)
616,005	616,005	611,411	(4,594)
<u>1,184,739</u>	<u>1,184,739</u>	<u>1,141,391</u>	<u>(43,348)</u>
415,203	449,823	342,413	107,410
725,000	725,000	725,000	-
136,038	136,038	136,039	(1)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,276,241</u>	<u>1,310,861</u>	<u>1,203,452</u>	<u>107,409</u>
<u>(91,502)</u>	<u>(126,122)</u>	<u>(62,061)</u>	<u>64,061</u>
<u>\$ 271,654</u>	<u>\$ 237,034</u>	<u>\$ 301,095</u>	<u>\$ 64,061</u>

City of Riverview, Michigan

Required Supplemental Information Pension System Schedule of Funding Progress and Employer Contributions June 30, 2008

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	Unfunded (Overfunded) AAL as a Percentage of Covered
06/30/02	\$ 21,549,980	\$ 21,301,907	\$ (248,073)	101.2	\$ 4,976,624	-
06/30/03	21,077,951	22,297,515	1,219,564	94.5	5,025,115	24.3
06/30/04	21,885,428	23,292,715	1,407,287	94.0	5,064,717	27.8
06/30/05	21,807,937	24,972,621	3,164,684	87.3	5,292,595	59.8
06/30/06	21,611,224	26,358,737	4,747,513	82.0	4,866,039	97.6
06/30/07	23,059,510	27,199,099	4,139,589	84.8	4,862,204	85.1

City of Riverview, Michigan

Required Supplemental Information Pension System Schedule of Funding Progress and Employer Contributions (Continued) June 30, 2008

The schedule of employer contributions is as follows:

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2003	\$ 433,341	100
2004	552,179	100
2005	610,663	100
2006	801,016	100
2007	975,555	100
2008	949,677	100

Additional information as of June 30, 2007, the latest actuarial valuation date, is as follows:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed (police) Level dollar, closed (general)
Remaining amortization period	16 years
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases*	5%-9%
Cost of living adjustments	None

*Includes inflation at 5 percent

City of Riverview, Michigan

Note to Required Supplemental Information June 30, 2008

Note - Reconciliation of Budgeted Amounts to Basic Financial Statements

The budgetary comparison schedules for the General Fund and major Special Revenue Funds are presented on the same basis of accounting used in preparing the adopted budget. Following is a reconciliation of the budgetary comparison schedule to the governmental funds (statement of revenues, expenditures, and changes in fund balances):

	General Fund		Major Special Revenue Funds			
			Major Streets Fund		Local Streets Fund	
	Total Revenue	Total Expenditures	Total Revenue	Total Expenditures	Total Revenue	Total Expenditures
Amounts per operating statement	\$ 7,977,375	\$ 10,259,350	\$ 509,451	\$ 327,818	\$ 529,980	\$ 1,203,452
Operating transfers budgeted as revenue and expenditures	2,297,019	178,115	-	111,411	611,411	-
Amounts per budget statement	<u>\$ 10,274,394</u>	<u>\$ 10,437,465</u>	<u>\$ 509,451</u>	<u>\$ 439,229</u>	<u>\$ 1,141,391</u>	<u>\$ 1,203,452</u>

Other Supplemental Information

City of Riverview, Michigan

	Nonmajor Special Revenue Funds				
	Community Development			Drug and Law Enforcement	
	Block Grant	Rubbish	Cable TV	Fund	Library
Assets					
Cash and investments	\$ 99,497	\$ 89,109	\$ 536,893	\$ 211,348	\$ 334,038
Receivables:					
Property taxes	-	-	-	-	3,950
Other	-	-	963	-	15,379
Due from other funds	-	-	-	-	-
Due from other governmental units	48,194	-	-	-	4,357
Total assets	<u>\$ 147,691</u>	<u>\$ 89,109</u>	<u>\$ 537,856</u>	<u>\$ 211,348</u>	<u>\$ 357,724</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 3,153	\$ 38,479	\$ 3,556	\$ 2,465	\$ 5,167
Due to other funds	92,532	-	6,250	-	-
Accrued and other liabilities	-	-	5,480	-	12,443
Deferred revenue	64,734	-	-	-	-
Total liabilities	160,419	38,479	15,286	2,465	17,610
Fund Balances - Unreserved					
Designated for pending tax tribunals	-	-	-	-	21,813
Undesignated	(12,728)	50,630	522,570	208,883	318,301
Total fund balances	(12,728)	50,630	522,570	208,883	340,114
Total liabilities and fund balances	<u>\$ 147,691</u>	<u>\$ 89,109</u>	<u>\$ 537,856</u>	<u>\$ 211,348</u>	<u>\$ 357,724</u>

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

Nonmajor Debt Service Funds		Nonmajor Capital Projects Funds			Total Nonmajor Governmental Funds
General Obligation	Building Authority	Parks and Recreation Construction	Capital Improvements and Equipment	Development Revolving	
\$ 53,560	\$ 141,366	\$ 14,122	\$ 1,585,447	\$ 16,422	\$ 3,081,802
532	-	-	2,259	-	6,741
-	-	-	-	-	16,342
-	-	-	65,553	-	65,553
-	-	-	-	-	52,551
<u>\$ 54,092</u>	<u>\$ 141,366</u>	<u>\$ 14,122</u>	<u>\$ 1,653,259</u>	<u>\$ 16,422</u>	<u>\$ 3,222,989</u>
\$ -	\$ -	\$ -	\$ 12,414	\$ -	\$ 65,234
-	-	-	26,270	-	125,052
-	-	-	-	-	17,923
-	-	-	-	-	64,734
-	-	-	38,684	-	272,943
-	-	-	4,700	-	26,513
<u>54,092</u>	<u>141,366</u>	<u>14,122</u>	<u>1,609,875</u>	<u>16,422</u>	<u>2,923,533</u>
<u>54,092</u>	<u>141,366</u>	<u>14,122</u>	<u>1,614,575</u>	<u>16,422</u>	<u>2,950,046</u>
<u>\$ 54,092</u>	<u>\$ 141,366</u>	<u>\$ 14,122</u>	<u>\$ 1,653,259</u>	<u>\$ 16,422</u>	<u>\$ 3,222,989</u>

City of Riverview, Michigan

	Nonmajor Special Revenue Funds				
	Community Development Block Grant	Rubbish	Cable TV	Drug and Law Enforcement Fund	Library
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 481,287
Federal sources	260,071	-	-	52,078	-
State sources	-	-	-	32,203	13,931
Investment income	-	4	18,039	-	18,063
Other	-	2,624	281,829	-	29,776
Total revenue	260,071	2,628	299,868	84,281	543,057
Expenditures					
General government	-	-	120,914	-	-
Public safety	-	-	-	53,513	-
Public works	-	401,535	-	-	-
Community and economic development	285,891	-	-	-	-
Recreation and culture	-	-	-	-	402,442
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	285,891	401,535	120,914	53,513	402,442
Excess of Revenue Over (Under) Expenditures	(25,820)	(398,907)	178,954	30,768	140,615
Other Financing Sources (Uses)					
Proceeds from the issuance of capital lease obligations	-	-	-	-	-
Operating transfers in	-	398,907	-	178,115	-
Operating transfers out	142	-	(86,200)	-	(122,903)
Total other financing sources (uses)	142	398,907	(86,200)	178,115	(122,903)
Net Change in Fund Balances	(25,678)	-	92,754	208,883	17,712
Fund Balances - Beginning of year	12,950	50,630	429,816	-	322,402
Fund Balances (Deficit) - End of year	<u>\$ (12,728)</u>	<u>\$ 50,630</u>	<u>\$ 522,570</u>	<u>\$ 208,883</u>	<u>\$ 340,114</u>

Other Supplemental Information
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2008

Nonmajor Debt Service Funds		Nonmajor Capital Projects Funds			
General Obligation	Building Authority	Parks and Recreation Construction	Capital Improvements and Equipment	Development Revolving	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 97,314	\$ -	\$ 578,601
-	-	-	-	-	312,149
-	-	-	-	-	46,134
2,702	1,789	659	73,200	24	114,480
-	-	-	312,920	-	627,149
2,702	1,789	659	483,434	24	1,678,513
-	224	-	-	-	121,138
-	-	-	-	-	53,513
-	-	-	1,070,057	-	1,471,592
-	-	-	-	-	285,891
-	-	-	-	-	402,442
-	95,000	-	37,653	-	132,653
-	27,678	-	11,847	-	39,525
-	122,902	-	1,119,557	-	2,506,754
2,702	(121,113)	659	(636,123)	24	(828,241)
-	-	-	400,341	-	400,341
-	122,903	-	500,000	-	1,199,925
-	-	-	-	-	(208,961)
-	122,903	-	900,341	-	1,391,305
2,702	1,790	659	264,218	24	563,064
51,390	139,576	13,463	1,350,357	16,398	2,386,982
<u>\$ 54,092</u>	<u>\$ 141,366</u>	<u>\$ 14,122</u>	<u>\$ 1,614,575</u>	<u>\$ 16,422</u>	<u>\$ 2,950,046</u>

City of Riverview, Michigan

Other Supplemental Information Combining Balance Sheet Nonmajor Enterprise Funds June 30, 2008

	Golf Course	Golf Practice	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 578,658	\$ 120,334	\$ 698,992
Due from other funds	-	78,064	78,064
Inventories	19,222	-	19,222
Prepaid and other assets	3,594	399	3,993
Total current assets	601,474	198,797	800,271
Noncurrent assets - Capital assets - Net:			
Nondepreciable capital assets	-	691,901	691,901
Depreciable capital assets	1,576,067	1,796,755	3,372,822
Total noncurrent assets	1,576,067	2,488,656	4,064,723
Total assets	2,177,541	2,687,453	4,864,994
Liabilities			
Current liabilities:			
Accounts payable	29,254	1,178	30,432
Due to other funds	470,772	-	470,772
Accrued and other liabilities	39,877	5,025	44,902
Current portion of bonds payable	86,285	-	86,285
Total current liabilities	626,188	6,203	632,391
Noncurrent liabilities:			
Bonds payable - Net of current portion	90,123	-	90,123
Accumulated employee benefits	1,597	177	1,774
Total noncurrent liabilities	91,720	177	91,897
Net Assets			
Invested in capital assets - Net of related debt	1,399,659	2,488,656	3,888,315
Unrestricted	59,974	192,417	252,391
Total net assets	\$ 1,459,633	\$ 2,681,073	\$ 4,140,706

City of Riverview, Michigan

Other Supplemental Information Combining Statement of Changes in Net Assets Nonmajor Enterprise Funds June 30, 2008

	Golf Course	Golf Practice	Total Nonmajor Enterprise Funds
Operating Revenue			
Greens fees	\$ 780,705	\$ 8,552	\$ 789,257
Equipment rentals	333,629	67,547	401,176
Miscellaneous revenue	<u>171,581</u>	<u>-</u>	<u>171,581</u>
Total operating revenue	1,285,915	76,099	1,362,014
Operating Expenses			
Personnel services	606,639	63,925	670,564
Supplies	106,330	11,781	118,111
Operation and maintenance	48,613	-	48,613
Depreciation	151,836	119,703	271,539
Other services and charges	<u>338,374</u>	<u>28,181</u>	<u>366,555</u>
Total operating expenses	<u>1,251,792</u>	<u>223,590</u>	<u>1,475,382</u>
Operating Income (Loss)	34,123	(147,491)	(113,368)
Nonoperating Revenue - Investment income	<u>20,753</u>	<u>11,980</u>	<u>32,733</u>
Change in Net Assets	54,876	(135,511)	(80,635)
Net Assets - Beginning of year	<u>1,404,757</u>	<u>2,816,584</u>	<u>4,221,341</u>
Net Assets - End of year	<u><u>\$ 1,459,633</u></u>	<u><u>\$ 2,681,073</u></u>	<u><u>\$ 4,140,706</u></u>

City of Riverview, Michigan

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds Year Ended June 30, 2008

	Golf Course	Golf Practice	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,265,162	\$ 64,119	\$ 1,329,281
Payments to suppliers	(485,414)	(28,537)	(513,951)
Payments to employees	(599,321)	(63,031)	(662,352)
Net cash provided by (used in) operating activities	180,427	(27,449)	152,978
Cash Flows from Noncapital Financing Activities -			
Payments from other funds	(92)	-	(92)
Cash Flows from Capital and Related Financing Activities			
Principal and interest paid on long-term debt	(82,610)	-	(82,610)
Purchase of capital assets	(17,422)	-	(17,422)
Net cash used in capital and related financing activities	(100,032)	-	(100,032)
Cash Flows from Investing Activities			
Investment income	20,753	11,980	32,733
Net (purchases) sales of investment securities	(20,753)	90,046	69,293
Net cash provided by investing activities	-	102,026	102,026
Net Increase in Cash and Cash Equivalents	80,303	74,577	154,880
Cash and Cash Equivalents - July 1, 2007	113,082	(74,577)	38,505
Cash and Cash Equivalents - June 30, 2008	\$ 193,385	\$ -	\$ 193,385
Balance Sheet Classification of Cash and Cash Equivalents			
Cash and cash equivalents	\$ 578,658	\$ 120,334	\$ 698,992
Less investments	(385,273)	(120,334)	(505,607)
Net cash and cash equivalents	\$ 193,385	\$ -	\$ 193,385
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating (loss) income	\$ 34,123	\$ (147,491)	\$ (113,368)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	151,836	119,703	271,539
Changes in assets and liabilities:			
Prepaid assets	(457)	(50)	(507)
Inventory	(4,543)	-	(4,543)
Accounts payable	(7,880)	(959)	(8,839)
Accrued and other liabilities	7,348	1,348	8,696
Net cash provided by (used in) operating activities	\$ 180,427	\$ (27,449)	\$ 152,978

Noncash Activity - The Golf Course Fund transferred capital assets to various other funds with net book values of \$2,800.

City of Riverview, Michigan

Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds June 30, 2008

	Agency Funds		
	Special Tax	Inspection	Total
Assets			
Cash and investments	\$ 7,967	\$ 76,990	\$ 84,957
Taxes receivable	92,664	-	92,664
Total assets	<u>\$ 100,631</u>	<u>\$ 76,990</u>	<u>\$ 177,621</u>
Liabilities			
Escrow	\$ -	\$ 76,990	\$ 76,990
Due to other governmental units	100,631	-	100,631
Total liabilities	<u>\$ 100,631</u>	<u>\$ 76,990</u>	<u>\$ 177,621</u>

City of Riverview, Michigan

**Report to the Mayor and Members of the City Council
June 30, 2008**



Plante & Moran, PLLC
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To the Mayor and Members of
the City Council
City of Riverview, Michigan

We have recently completed our audit of the basic financial statements of the City of Riverview, Michigan (the "City") for the year ended June 30, 2008. In addition to our audit report, we are providing the following report on internal control, results of the audit, and other recommendations and informational comments which may impact the City:

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Report on Internal Control	I-3
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Other Recommendations/Informational	7-11

We are grateful for the opportunity to be of service to the City of Riverview, Michigan. Should you have any questions regarding the comments in this report, please do not hesitate to call.

Plante & Moran, PLLC

December 3, 2008



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Report on Internal Control

December 3, 2008

To the Mayor and Members
of the City Council
City of Riverview, Michigan

Dear Mayor and Council Members:

Beginning with last year's audit, national auditing standards call for auditors to communicate matters to the governing body that may be useful in its oversight of the City of Riverview, Michigan's (the "City") financial management. Specifically, they require us to report internal control issues to the governing body that may be relatively minor, in order to allow it to evaluate their significance, and make any changes it may deem appropriate. In general, these are items that would have been discussed orally with management in the past. The purpose of these new standards is to allow the governing body an opportunity to discuss issues when they are relatively minor, rather than waiting until they become more serious problems. We hope that this report on internal control will be helpful to you, and we look forward to being able to discuss any questions you may have concerning these issues.

In planning and performing our audit of the financial statements of the City of Riverview, Michigan as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Riverview, Michigan's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the following deficiency to be a significant deficiency in internal control:

- During the audit, we noted that there were discrepancies between the capital asset detail provided by the City and the City's general ledger. As a result, an audit entry was proposed by Plante & Moran, PLLC and posted by the City. We recommend that the City implement a review process after year-end entries are posted by the City to ensure that their detail schedules equal the general ledger.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control. We believe that the following deficiencies constitute material weaknesses.

- The City has a system in place to expense payments on long-term debt when invoices are received. According to generally accepted accounting principles, in an Enterprise Fund, when a principal payment is received the liability for the debt should be relieved and an expense should not be recorded. Typically, the City records the principal payment on the debt appropriately by performing a year-end entry to reduce the principal expense and reduce the long-term debt liability. In the current year, this year-end entry was not recorded. This resulted in expenses and long-term debt being overstated in the books and records. Plante & Moran proposed an entry and the City posted it to properly reduce the debt balance. This entry was for a material amount. We recommend that the City implement a year-end review of its debt balances to ensure that the principal payments have been appropriately applied against the debt balance.
- During our testing of accounts payable, we noted items that were not properly recorded in accounts payable at year end. This was brought to the attention of the finance department and they provided an adjusting journal entry to properly record accounts payable. Prior to the recording of this entry, the City's liabilities and expenses were overstated. We recommend that the City implement year-end review procedures to ensure the proper recording of these amounts in the future.

To the Mayor and Members
of the City Council
City of Riverview, Michigan

December 3, 2008

This communication is intended solely for the information and use of management, the City Council, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink, appearing to read "Beth Bialy".

Beth A. Bialy

A handwritten signature in black ink, appearing to read "Pamela L. Hill".

Pamela L. Hill

Results of the Audit

December 3, 2008

To the Mayor and Members of
the City Council
City of Riverview, Michigan

We have audited the financial statements of the City of Riverview, Michigan (the "City") for the year ended June 30, 2008 and have issued our report thereon dated December 3, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 1, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We are responsible for planning and performing the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the City of Riverview, Michigan. Our consideration of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters and our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 1, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of Riverview, Michigan are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2007-2008.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following were detected as a result of the audit procedures and corrected by management:

- Plante & Moran, PLLC noted an error in the reconciliation of capital assets from the City's detail to the City's general ledger that resulted in an audit adjustment to decrease fixed assets for approximately \$200,000.
- We noted an error in the recording of accounts payable at year end. The error resulted in an audit adjustment to decrease accounts payable across several funds for a total of approximately \$140,000.
- We noted an error in the recording of principal payments on long-term debt in the Water and Sewer Fund. The error resulted in an audit adjustment to decrease expense and long-term debt liability for approximately \$790,000.
- There were also a significant amount of journal entries proposed and posted by the City while the audit was ongoing.

December 3, 2008

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management's Representations

We have requested certain representations from management that are included in the management representation letter dated December 3, 2008.

Management's Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the City Council and management of the City of Riverview, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC



Beth A. Bialy



Pamela L. Hill

Other Recommendations/Informational

Cash Receipt Procedures and Deposits - We noted during our review of the golf course's internal control procedures that all supervisors, cashiers, the golf course director, and the director's secretary all have access to the cash drawer. We recommend, if feasible, that the golf course limit the amount of individuals with access to the cash drawer.

We also noted that one individual has the ability to collect cash and also performs the cash reconciliations and prepares the deposits. The golf course director reviews reconciliations only if there appears to be a problem with cash overage or shortage. We recommend that someone other than an individual with access to cash collections reconcile the cash drawer.

Bank Reconciliations - During the audit, we noted that the City's general operating bank reconciliation was unreconciled by a difference that has been fluctuating by a few hundred dollars each month. Due to the amount of responsibilities and the limited staff in the finance department, they were not able to spend more time on the bank reconciliations in order to completely reconcile the bank accounts each month. We suggest that the City look into the unreconciled difference that has been carried over for several years and take appropriate actions to correct it. In order to further enhance internal controls over the accuracy of cash, we also suggest that all reconciling items be specifically identified on the bank reconciliation along with a description of the item and how the item was ultimately resolved.

Investments - At the end of 2007, Public Act 213 of 2007 was adopted by the State requiring quarterly investment reporting to the governing body. It is our understanding that the City Council wishes not to receive these reports. We encourage the Council to consider this change to the state law and, if no reporting is desired, to pass a Council resolution supporting that decision.

CDBG - During the year, the City has made improvements in reconciling its CDBG activity. However, at the end of the year, due to excess program income that had not been spent before year end, the CDBG fund has a deficit balance. We suggest that the City file a deficit elimination plan with the State. It will be important for the City to ensure that these funds are properly reconciled and accounted for as the City continues to receive additional federal funds and may be subject to an annual federal awards audit in upcoming years.

FACT Act - Potential Impact on Municipal Utility Systems

The Fair and Accurate Credit Transactions Act (FTC) was passed in 2003, with final regulations published at the end of 2007. The FACT Act will be effective May 1, 2009. These FTC rules, and more specifically the red flag rules encompassed in them, may be applicable to municipal utility systems. The rules, put in place as a measure to protect against identity theft, indicate that a “creditor” with a “covered account” must implement a written identity theft prevention program to detect, prevent, and mitigate identity theft in connection with the opening of a covered account or any existing covered account.

Under the rules, a creditor is defined very broadly, encompassing any entity that defers payment for goods and services, as defined under the red flag rules. This most likely includes municipalities that “defer payments” by their utility customers when water, sewer, electric, gas, and trash are sold to customers day by day but paid for at the end of the billing cycle.

The act would require written policies and procedures to be put in place to identify and follow up on red flags. Red flags, just as an example, would be the presentation by the customer of suspicious personal information that is inconsistent with external sources or suspicious documents provided for identification. The regulations appear to be flexible so that each government would have the ability to design an identity theft program that is tailored to its particular operation, given its size, technology currently utilized, and the perceived risk of identity theft in its community. It is our understanding that the City Council has adopted a policy related to identity theft prevention effective October 20, 2008.

We encourage you to follow up with legal counsel if you believe this act may apply to your governmental unit.

Property Tax Developments

The front page story several months ago is now old news. For many communities in Michigan, the challenging real estate market will negatively change the taxable value trends of recent years. Many communities saw modest declines in their 2008 taxable values, and if the downward trend in the housing market continues, the impact will be larger next year. How it will actually play out in each community and over what period of time remains to be seen. While each community will need to carefully determine the impact of the current environment on its budget, there are also several pieces of legislation in Lansing that will impact property taxes going forward. Examples include the following:

- House Bill 4215 (Public Act 96 of 2008) allows property owners to obtain two principal residence exemptions in certain situations. The bill was designed for situations where a homeowner has purchased a new home and is unable to sell the existing home. The dual exemption only applies if certain conditions are met (i.e., the property previously occupied is for sale, not occupied, not leased or available for lease, etc.).

- A series of bills were introduced in March 2007 as part of a package to stimulate home sales (House Bills 4440, 4441, and 4442). The lead bill of that package, House Bill 4440, establishes an 18-month moratorium on the “pop-up” or “uncapping” of taxable value to state equalized value at the time of sale or transfer of a property. Property sales or transfers occurring in the timeframe of the moratorium would continue to pay property taxes at the previous taxable value amount. The “pop-up” or “uncapping” of taxable value would be delayed until the property was sold or transferred in later years. House Bill 4440 actually passed the House in March 2007 and is currently in the Michigan Senate.
- Many property owners continue to struggle with the concept that their individual taxable values actually increased during a time that overall property values - and even their individual property values - have fallen. As we all have relearned in recent months, that is a constitutional requirement that changed with Proposal A in 1994. It may be helpful to remember the principle behind Proposal A - its purpose was to disconnect taxable values from market value increases, and instead limit the growth in taxable values to the lesser of 5 percent or inflation, until that point that the property transfers ownership. Now that the market values are declining in many areas, Proposal A continues to stay disconnected, and allows the taxable value to increase by the lesser of 5 percent or inflation (up until the point that it reconnects with market values).

Fairly or not, this year, many property owners said it did not feel right when they saw their taxable value increase by inflation when market value did not. This has led to a discussion as to whether a third variable, called “change in market value,” needs to be added to the Proposal A formula. In what some are calling a “super cap,” the Proposal A formula to determine annual increases in taxable value (if property is not sold or transferred) would be the lesser of three components: inflation, change in market value, or 5 percent. Therefore, if the market value of the parcel was either flat or declining - even if the taxable value of the particular parcel was less than state equalized value - there would be no annual increase. To date, a proposal to accomplish this change has not moved through the legislature. A change of this nature would impact local government budgets.

- As part of the changes to the single business tax last year and the introduction of the Michigan business tax, changes were also made to the calculation of tax rates applicable to industrial and commercial personal property taxes. As advertised, industrial personal property taxpayers received a reduction of the school operating mills (up to 18 mills) and the 6 mill state education tax. Commercial personal property taxpayers received a reduction of up to 12 school operating mills. However, if your community has a school district with “hold harmless” school mills, you must add back any hold harmless millage prior to computing the total mills to be levied. This may generate questions from commercial and industrial taxpayers.

City of Riverview, Michigan

Informational (Continued)

- A Michigan Supreme Court case has changed how local governments can treat public service improvements by developers. Leading up to the court case, as private property owners or developers installed public service improvements (i.e., street lights, water and sewer lines, etc.) there was normally an increase in their property tax assessment. The Michigan Supreme Court upheld a Court of Appeals ruling that the installation of public service improvements does not constitute a taxable addition.

We would like to thank the City Council for the opportunity to serve as auditors for the City. We would also like to express our appreciation for the courtesy and cooperation extended to us by the administration during the audit. If you would like to discuss any of these matters, or would like assistance in their implementation, please contact us.

Very truly yours,

Plante & Moran, PLLC



Beth A. Bialy



Pamela L. Hill